

The Opportunity Atlas
Mapping the Childhood Roots of Social Mobility

Executive Summary - October 2018

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Which neighborhoods in America offer children the best chances of climbing the income ladder? To answer this question, we construct the *Opportunity Atlas*, a freely available interactive mapping tool that traces the roots of outcomes such as poverty and incarceration back to the neighborhoods in which children grew up. Using the Atlas, you can see exactly where and for whom opportunity is lacking in your community and develop customized solutions to improve children's outcomes.

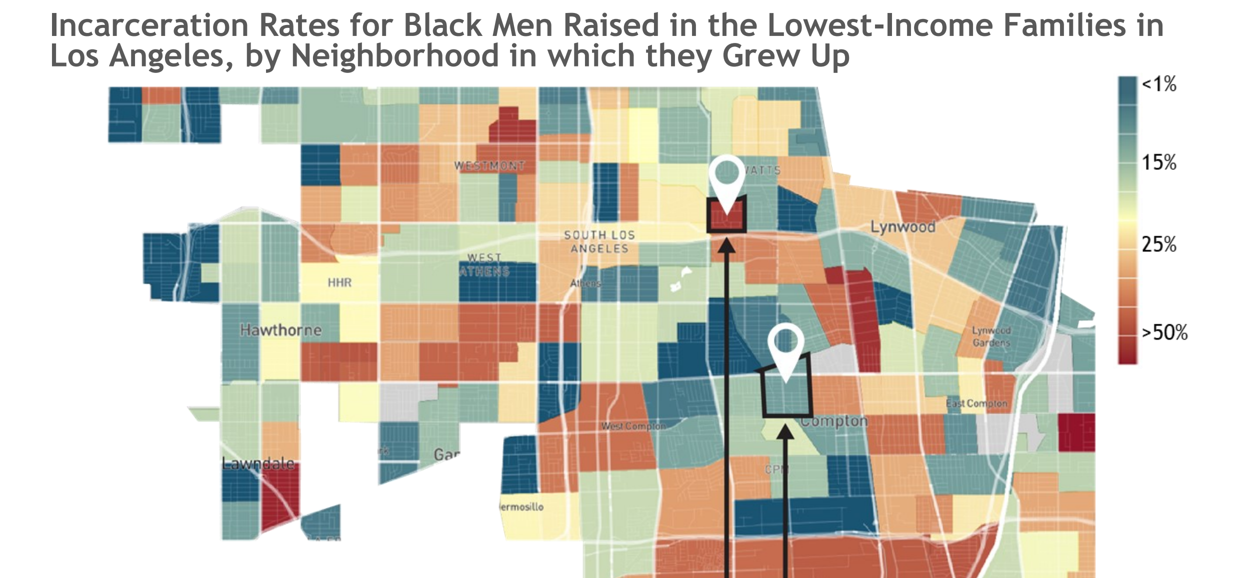
The *Opportunity Atlas* is built using anonymized data on 20 million Americans who are in their mid-thirties today. We map these individuals back to the Census tract (geographic units consisting of about 4,200 people) in which they grew up. Then, for each of the 70,000 tracts in America, we estimate children's average earnings, incarceration rates, and other outcomes by their parental income level, race, and gender.

The new data yield several insights into how neighborhoods shape children's trajectories.

Finding 1: Children's outcomes in adulthood vary sharply across neighborhoods that are just a mile or two apart

Children who grow up a few miles apart in families with comparable incomes have very different life outcomes. To take one exam-

Incarceration Rates for Black Men Raised in the Lowest-Income Families in Los Angeles, by Neighborhood in which they Grew Up



Watts: 44% incarcerated

Compton: 6.2% incarcerated

Click here for an interactive version of this map to see data for your own neighborhood.

ple, the map above shows incarceration rates for black men who grew up in very low -income families in central Los Angeles. 44% of black men who grew up in Watts were incarcerated on April 1, 2010 - the day of the 2010 Census. By contrast, 6.2% of black men who grow up in families with similar incomes in central Compton, 2.3 miles south of Watts, were incarcerated on that day.

We find similar variation in a spectrum of other outcomes – from earnings to teenage birth rates – across nearby neighborhoods, not just in LA but in most cities in America. In rural areas too, neighboring towns often exhibit sharply different outcomes for local children.

Finding 2: Places that have good outcomes for one racial group do not always have good outcomes for others

Many think of neighborhoods as either "good" or "bad" for everyone. But, we find that outcomes can differ sharply across people who grow up in the same neighborhoods. Returning to the example above, Hispanic men who grew up in Watts have an incarceration rate of 4% – an order of magnitude smaller than for black men raised in the same tract.

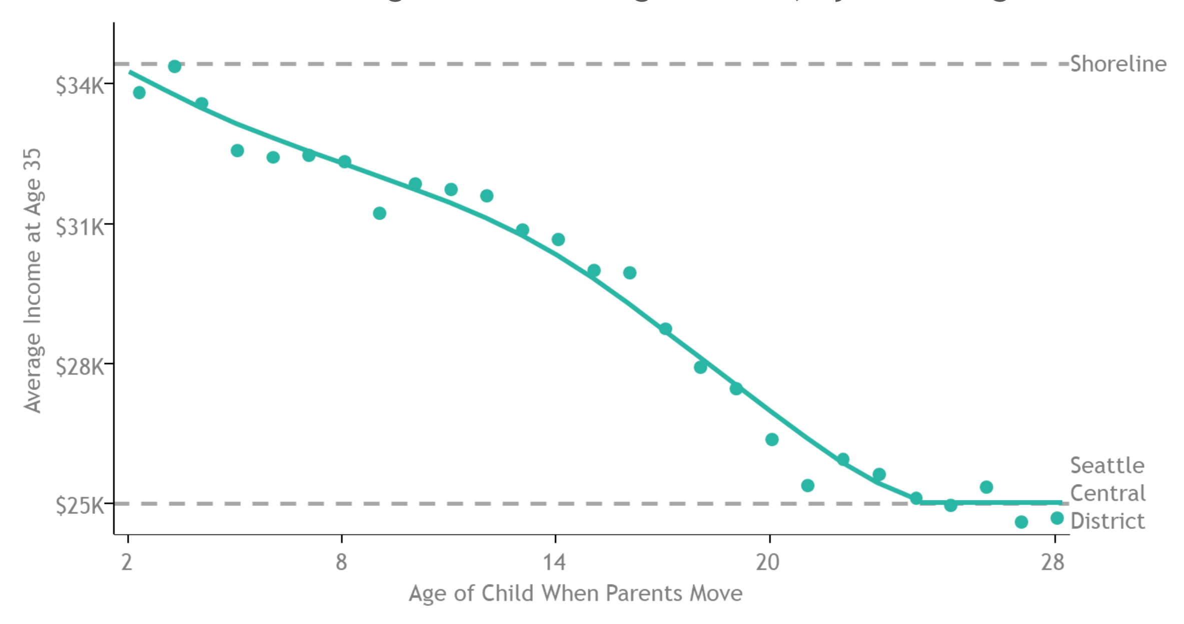
Outcomes also differ by gender: in Watts, low-income black women grow up to earn three times as much as low-income black men. These differences show that we should not think of neighborhood quality – or the policies that might improve it – as “one size fits all.” It may be more impactful to design policies that target specific sub-groups in ways that directly address the particular challenges they face.

Finding 3: Moving to a better neighborhood earlier in childhood can increase a child’s income by several thousand dollars

Children who move to high-upward-mobility neighborhoods earlier in their childhood earn more as adults, as illustrated in the



Income Gain from Moving to a Better Neighborhood, by Child's Age at Move



Predicted Earnings at Age 35 for Children Raised in Low-Income Families who Move from Central District to Shoreline in Seattle, by Child's Age at Move

chart above. This chart shows the average income (at age 35) of children raised in low-income families who move from the Central District of Seattle, a low-upward mobility area, to Shoreline, a high upward-mobility area that is ten miles north. Children who make this move at birth earn $9,000 more per year than those who move in their 20s.

> *Moving from a below-average to an above-average neighborhood at birth would increase a child's lifetime earnings by $200,000*

Furthermore, revisiting data from the Moving to Opportunity Experiment, we find that children whose families who were randomly offered a voucher to move to a neighborhood that had higher rates of upward mobility according to the Atlas indeed earned more in adulthood.

On average, moving within one's metro area from a below-average to an above-average neighborhood in terms of upward mobility would increase the lifetime earnings of a child growing up in a low-income family by $200,000. Children who grow up in better areas are also less likely to be incarcerated and are less likely to have teen births.

The lesson from these findings is not necessarily that moving is the best solution to increasing upward mobility, but rather that the low rates of upward mobility observed in some areas can be changed. By studying the places that produce the best outcomes for low-income children, one may be able to replicate those successes in other areas through place-focused investments.

Finding 4: Traditional indicators of local economic success such as job growth do not always translate into greater upward mobility

Our new measures of upward mobility differ from traditional indicators of the health of a local economy, such as job growth. The chart

below shows that there is no association between low-income children's earnings in adulthood and job growth rates across cities.

For example, Atlanta and Charlotte have had very high rates of job and wage growth over the past two decades, yet they have among the lowest rates of upward mobility for children who grow up there. These cities achieve high rates of economic growth by importing talent – i.e., attracting high-skilled people to move in and fill high-paying jobs. While this impressive economic growth may have brought other benefits to these cities, it is clear that a booming economy does not guarantee better outcomes for local children.

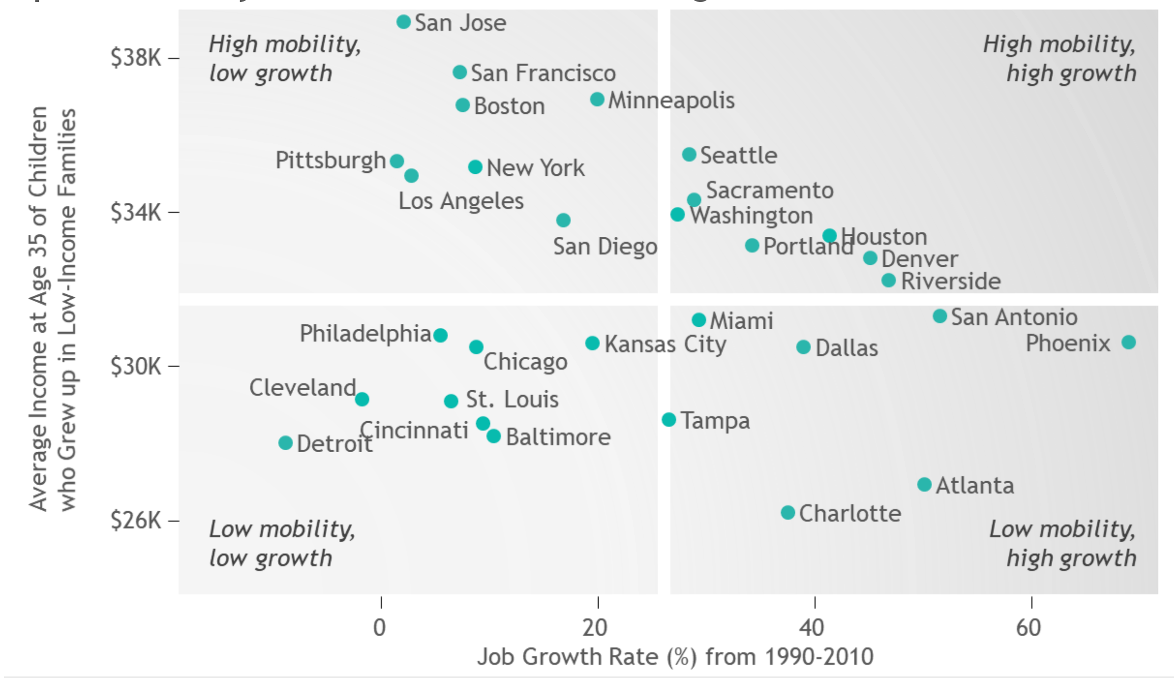
A booming economy does not always lead to greater upward mobility for children

In contrast, we find a strong positive correlation between the employment rates of adults who live in a given tract and rates of upward mobility for children who grow up there. Evidently, what matters for upward mobility is not proximity to jobs, but growing up around people who have jobs.

Upward mobility rates for children also correlate strongly with other characteristics of the local population, such as mean incomes, the share of two-parent families, as well as proxies for social capital and test scores. For all of these characteristics, what matters are conditions in one's own immediate neighborhood rather than in nearby areas, even those just one mile away. For example, poverty rates in neighboring tracts are essentially unrelated to a child's outcomes, controlling for poverty rates where he or she lives.

Finding 5: Historical data on children's outcomes are a useful predictor of children's prospects for upward mobility today

Our measures of economic opportunity differ from existing neighborhood-level measures of opportunity because we directly study children's actual outcomes, rather than proxies such as poverty rates, homeownership rates, or test scores. By directly studying outcomes, we avoid difficult-to-test assumptions



about which proxies best predict children's outcomes.

The drawback of our outcome-based measures is that they come with a lag, because one must wait until children grow up to see their earnings. However, we find that places that produced good outcomes in the past typically tend to produce good outcomes a decade later. Moreover, historical outcome data prove to be much better predictors of outcomes than more recent data on poverty rates or test scores. Our estimates are thus highly informative predictors of economic opportunity even for children today, although they should be combined with additional analyses and on-the-ground knowledge in areas that have changed substantially.

Finding 6: The new data uncover "opportunity bargains" - affordable neighborhoods that produce good outcomes for children

On average, higher-opportunity neighborhoods have higher costs of living, but there are many areas that appear to be "opportunity bargains" - places that produce good outcomes for children without high rents. The table below lists such neighborhoods in the ten largest metro areas in the US.

The availability of low-rent, high opportunity neighborhoods suggests that affordable housing policies could be redesigned to produce larger gains for children without increasing government expenditure. More broadly, the existence of opportunity bargain areas shows that creating pathways to opportunity need not require reproducing conditions in highly affluent, expensive neighborhoods.

A Foundation to Increase Mobility Out of Poverty

Going forward, researchers can use the *Opportunity Atlas* to reveal new insights into the mechanisms that drive upward mobility by comparing areas that have similar characteristics but produce different outcomes for children.

Policymakers and practitioners can use the Atlas to better target programs that aim to improve economic opportunities for disadvantaged children. For example, the placement of pre-school programs or eligibility for local programs or tax credits could be informed by these data. As another example, housing authorities in the Seattle metropolitan area are currently conducting a pilot study that provides information and assistance to housing voucher recipients to move to high-opportunity areas.

We view the development and evaluation of such efforts as a valuable path forward to improving economic mobility across the country.

Affordable High-Opportunity Neighborhoods in the 10 Largest Metro Areas

- Oxon Hill (Washington DC)
- North Quincy (Boston)
- Alhambra/San Gabriel (LA)
- Laurel/Dimond (San Francisco)
- Bedford Park (NYC)
- Harper Woods (Detroit)
- Druid Hills/North Druid Hills (Atlanta)
- Oxford Circle/Castor (Philadelphia)
- West Ridge/West Rogers Park (Chicago)
- Alief (Houston)

This list shows affordable neighborhoods where children growing up in low-income (25th percentile) families grow up to earn the most in each metro area. We define "affordable" neighborhoods as those that have two-bedroom median rents below $1500 per month and have not experienced substantial changes in mean incomes or rents in the past decade. Click here for an expanded list covering other cities.

Want to Learn More?

Read the full paper or presentation slides:

Use the interactive mapping tool to learn about upward mobility in specific areas

Download the new tract-level data:

- Local area statistics by Census tracts, U.S. counties and commuting zones on numerous indicators of intergenerational mobility by parent income, race, and gender.
- Indicators include average income, employment rates, incarceration rates, marriage rates, teenage birth rates and several others.

Questions about the data? Contact Opportunity Insights at info@opportunityinsights.org or the Census Bureau at ces.opportunity.atlas@census.gov

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